

“Data on Employment of People with Disabilities”

A Report on Deliverables 1A, 2A, and 3A Prepared for:

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Introduction

This research project seeks to address two broadly-drawn questions. First, what do Virginia's state agency administrative records tell us about employment-related information for persons with disabilities who have some contact with the state rehabilitative services system? Second, how does this employment affect these individual's health insurance status, either privately or publicly-provided through Medicare or Medicaid?

The answers to these questions requires valid information about the person's recent employment history. These data ultimately will be provided by tapping into three different information systems: 1) the administrative records pertaining to client demographics and service provision from the Virginia Department of Rehabilitative Services (DRS); 2) earnings records from the Virginia Employment Commission (VEC); and 3) earnings and disability transfer payment status information obtained from the U.S. Social Security Administration (SSA).

Additionally, the Virginia DRS records are comprised of three different cohorts drawn from three different time periods: 1) all DRS applicants for vocational rehabilitation (VR) services in State Fiscal Year (FY) 1988 (i.e., July 1, 1987 - June 30, 1988); 2) all DRS program "closures" in FY 1999, and 3) all DRS applicants in FY 2000. Each cohort has some distinct advantages and disadvantages in attempting to address the two core questions described above.

The FY 1988 DRS applicant data file offers a uniquely lengthy glimpse of both pre- as well as post-VR employment experiences for persons with disabilities. However, this file contains limited information about the person's SSA beneficiary status and health insurance coverage. Also, with the changes in disability and welfare legislation that occurred in the 1990s there is some concern that this 1988 applicant cohort may not be representative of those persons receiving VR services more than a decade later.

The FY 1999 closure file consists of all individuals who were administratively-closed, for whatever reason, from DRS during this annual period. This data set has the advantage of having employment information for persons who applied for VR services in an environment much closer to the present economic situation. By merging this file with VEC earnings through 2002, we will have at least three years of post-VR closure earnings information for everyone in the data file. However, these individuals have applied for services during the course of several different years during, perhaps, differing economic environments. Consequently, this makes these people a bit less comparable than when everyone applies in the same year.

To overcome the problems presented with these two other data sets, the last cohort consists of applicants for DRS services in FY 2000. This file offers a group of persons with disabilities that has applied following the most recent legislative changes; it presents the most relevant group for examining the employment implications of recent policy initiatives. It also has the advantage of being the first group measured using the new Case Service Report implemented by the Rehabilitation Services Administration (RSA) in March, 2000. The new reporting system, called

the RSA-911, records more detailed information on health insurance coverage and SSA disability benefit coverage. However, given the recency of this file, it has the drawback of providing relatively little time for recording post-closure earnings. For instance, a person who applied in June of 2000 and spent 18 months in service provision will only have one year of post-closure earnings collected by the VEC through 2002.

The analysis plan is to glean as much employment and health-insurance related information as possible from analysis of data sets with increasingly refined and/or more valid information on these two topics. First, we determine what we can with the crude measures of SSA status and health insurance coverage available from the 1988 DRS applicant cohort. Employment and earnings information through the year 2000 is provided in Deliverables 1A-3A. In future Deliverables 1B-3B we add to this knowledge base by using the new RSA-911 file format containing better health insurance coverage and SSA benefit data available for the 2000 applicant cohort (along with the 1999 closure cohort, if reported using the new format). The earnings profiles for the individuals in these two cohorts will be also augmented with VEC earnings through 2002. Finally, in later deliverables, due next year, we will verify the VEC earnings using those obtained from SSA earnings files. We will also obtain much more specific information on SSA beneficiary status and public health insurance coverage (i.e., Medicare and Medicaid) from two different SSA administrative files.

The current report contains Deliverables 1A-3A and proceeds in the following fashion. The first two parts provide both an overview as well as a discussion of the strengths and weaknesses of the data sets that form the "building blocks" for subsequent analysis. This first section provides a description of the Virginia DRS administrative file and summarizes various demographic and socioeconomic attributes of those persons applying for DRS services in FY 1988. The second section details the type of earnings information provided by the VEC and discusses some of the pros and cons of using such administrative files rather than obtaining earnings from, say, surveys (such as the SERL) or state or federal tax records. Some of the caveats discussed about using VEC earnings records include: anomalies of longitudinal matching, lack of data integrity checking, and employment coverage issues for persons with disabilities. The last part of this section compares the employment and earnings levels using VEC records versus survey and other administrative records for those applicants receiving sheltered or supported employment services.

Section III provides the analysis for Deliverable 1A by examining employment rates, employment spells, employment turnover, and the duration of the longest employment spells for the entire 1988 DRS applicant cohort. These aspects of employment are provided by numerous variables of interest: gender, age, education, DRS closure status, SSA beneficiary status, and type of health insurance coverage (i.e., none, private, Medicare or Medicaid). Section IV includes Deliverable 2A and examines annual earnings at the person's primary employer as well as from all employment opportunities. Section V examines the earnings levels compared to various earnings thresholds such as Substantial Gainful Activity, the Federal Poverty Guidelines, and using the person's prior earnings levels as a benchmark.